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New K mart to Open at Clinton Plaza

84,000 Square-Foot Store Has Full Line

The big new K mart discount store at Clinton Plaza Shopping Center on Clinton Highway will open for business Thursday Nov. 29.

The 84,000 square-foot store will offer a full line of fashions for all the family, appliances, hardware, and domestic items. It will also have a car service center and an enclosed garden center.

Ryland E. Agee will be the manager of the new K mart. He comes to Knoxville from Greenville, South Carolina, where he also managed a K mart store.



Ryland Agee
Clinton Plaza
K mart Manager

The new facility is one of the more than 580 K mart stores throughout the nation. It will employ approximately 150. Other local K marts are located on Kingston Pike and in Northgate Plaza Shopping Center.

The K mart discount department store of today is a combination of basic principles created before the first K mart opened in 1962 and improvements resulting from almost a decade of experience and research.

The original K mart blueprint emphasized that K mart selling prices must be always competitive. They are still as low as or lower than the selling prices available to K mart customers within any given trading area. Although price tags on K mart merchandise are determined by S. S. Kresge Company headquarters in Detroit, each K mart manager is personally responsible for keeping his store competitive. The manager may recommend lower prices, but he does not have the right to raise them.

K mart stores were to be publicized as true discount department stores. Only when unusual demand requires K marts to carry certain "fair trade" lines, such as prestige cosmetics, do customers find a few items that are not discounted. But policy continues to require the replacement of such merchandise as quickly as other items of equal or superior value and selling merit can be developed.

Part of the company's effort to give customers quality merchandise was to be a private label program. The K mart

prices prominently displayed.

The Kresge Company's traditional "satisfaction always" policy was to be incorporated into the operating standards of every K mart and proclaimed by signs throughout the sales floor. The sincerity of this policy is proved by the ease with which a customer can get a refund or exchange. The K mart service desk is conveniently located at the front of the store where attendants are always available to refund shopper's money, exchange merchandise or credit charge accounts. The only requirement is the purchase receipt.

One of the final, but perhaps one of the most important, aspects of the original K mart blueprint was that all K marts would be staffed by quality personnel. The men chosen to manage K marts are experienced career managers with proven executive ability and demonstrated qualifications as promotional-minded merchants. The strongest possible emphasis is placed on the maintenance of the consistently high standards for department heads and salespeople.

Experience and research have added some new dimensions to the original K mart blueprint. K mart stores are larger today. The first K marts averaged 68,000 square feet, exclusive of food supermarkets. Today's typical K mart is 84,000 square feet exclusive of the supermarket.

Store size has increased to accommodate new departments and expanded lines that are demanded by modern consumers.

For example, Americans today are do-it-yourself enthusiasts. The higher cost of professional help plus its scarcity have made it necessary for home owners to make additions and repairs to their homes themselves. In some stores, K mart caters to their needs with building materials departments.

A new department often dictates a change in store layout — hardware and home improvements have been placed adjacent to building materials, providing a convenient traffic pattern for the do-it-yourselfers. Kitchen and bathroom

displays let quality-minded shoppers see the appearance of finished rooms or sections of rooms.

The allocation of space is continually re-evaluated to meet consumer's current and local demands. For instance, the baby boom means more mothers are buying more infants' wear. K mart infants' wear departments today are much larger than they were in the stores built in 1962. Consumer's interest in photography has resulted in enlarged camera and accessories departments.

Music buffs of all ages are installing stereo tape players in their cars. K marts today offer complete automotive sound centers where shoppers can view and buy a large assortment of tape players and tapes.

Today's shoppers expect merchants to make their shopping and their decisions as easy as possible. To this end, the K marts display color televisions in carpeted viewing rooms. This helps shoppers visualize how the sets will look in their living rooms.

In many K marts, sports enthusiasts can view camping and hunting equipment in rooms that stimulate the outdoors.

Bigger K marts with more traffic mean more hungry shoppers. Today's K mart grills offer expanded menus and more seating. Booth seats have replaced many tables and chairs to satisfy the preferences of patrons.

New merchandise, new fixturing, new displays, new lighting are constantly being tested. Once they have received customer approval in a few test stores, they are incorporated into stores that are under construction or on the drawing boards. When possible, they are incorporated into existing K marts.

The exteriors of K marts are also under constant scrutiny by company architects. Often by the time a new store opens aspects of its design are obsolete.

K mart's character was established before the first store opened in 1962 but its personality is constantly developing.



Wardlow
Wardlow Is
President

Ervin E. Wardlow is president and chief merchandising and operations officer of the S. S. Kresge Company.

A native of Fillmore, Mo., Wardlow joined the Kresge management-training program in 1933, starting as a stockboy in a Kresge store in Kansas City, Mo.

From 1939 to 1943 he served in four stores in Chicago and Kansas City. After military service, he returned to management training in 1945 in Evanston, Ill. He received his first managerial post in 1951 in Oak Park, Ill. He managed two other Kresge units in the Midwest before being named a district manager in 1955.

Wardlow was promoted to the post of assistant sales director at the company's headquarters in Detroit in 1958. He was made sales director in 1961 when he was just 40 years old. He had been with Kresge for 20 years.

K mart Originated in 1962

Harry B. Cunningham, who rose from store manager to chairman of the S. S. Kresge Company, gambled \$80,000,000 on his beliefs about the modern shopper when he initiated K mart in 1962.

The Kresge Company, founded with one dime store, in 1899, was operating the second largest group of dime stores in the world by 1912. For nearly half a century, it was one of the most successful retail businesses. But retailing in America was changing. Cunningham was well aware of this after spending two years, 1957 and 1958, as a general vice president with a special assignment — study consumer needs for the future and investigate all the current methods of retailing.

When he became president, he asked the board of directors to authorize the Kresge Company's entry into a new kind of retail business that was adding a new company each month to its list of bankruptcies.

But, Cunningham reasoned, Kresge's approach would be different from all other mass merchandisers. "Discounting would succeed," said Cunningham, "if someone did it with top quality goods, real discount prices and took the risk out of it for the shopper with a 'satisfaction always' policy."

The conditions — quality, price and satisfaction — had been Kresge policies since 1899. He proposed that his new type of store — K mart — continue this tradition. The board was receptive, gave its approval and K mart was born.

There were delays and even disappointments in the few months before the first K mart opened in a suburb of Detroit on March 1, 1962.

Shortly after the store opened, it was obvious Cunningham's information and insight into the buying habits of American shoppers were right. Public acceptance was overwhelming.

Although each K mart meets the specific needs of its community, all K marts have one thing in common — they adhere to Cunningham's insight about the modern shopper.

"Today's consumers are more knowledgeable about necessities, but they also have greater expectations about obtaining the nice things in life," said Cunningham. "They believe they are entitled to not only what they need but to those things that will give them greater pleasure. They want hobby items, sporting goods, color televisions, swimming pools, health and beauty preparations.

"But they also want to save money to perhaps send their children to college, buy a vacation home or take a trip to Europe. K mart's discount prices on quality merchandise make it possible for them to own the nice things they want and still have a savings program in their budget."

Cunningham's two-year study of modern retailing also showed that most customers were willing to wait on themselves. In fact they were used to it from grocery supermarket shopping. Most customers also preferred selfservice to waiting for someone to show them the merchandise, explained Cunningham. However, at all K marts service is available to those shoppers who need it.

There were other facts in the survey, but these were, in Cunningham's opinion, the most important.

Time has proven Cunningham's appraisal of consumer wants and the Kresge organization correct. Over 580 K mart discount department stores are now in operation in the United States, Puerto Rico, Canada and Australia. And some 100 K marts will be built in 1973.

Cunningham, the creator of K mart, retired as chairman and chief executive officer of Kresge in April 1972. Today he is a Kresge director of the firm.



Assistant Managers

These men are the assistant store managers of the new K mart at Clinton Plaza Shopping Center. Left to right, they are Sam Hunter, Don Willis, Roger Short, and Sid Heninger. Sam Hunter has been with K mart six and a half years, and previously worked at stores in Florida and Kentucky and the old Clinton Plaza K mart. Don Willis has been with the company four

years, and came to Knoxville from Florence, South Carolina. Roger Short has been with K mart four and a half years, and has worked at K marts in Chattanooga and Alcoa, Tennessee and Lexington, Ky. Sid Heninger has been employed by K mart for 19 months. Not shown is Christopher A. Cooley.

Kresge Opened First Store 76 Years Ago

K mart stores are operated by the S.S. Kresge Company, a company which traces its history back to 1897 in Memphis. In that year, Sebastian S. Kresge started a dime store in Memphis, with J. G. McCrory as his partner.

The following year the two men opened a store in Detroit, Michigan. In 1899 the Kresge Company was founded when Kresge traded his half of the Memphis store and \$3900 to McCrory for full ownership of the Detroit store.

By 1904, there were four Kresge dime stores, and by 1908, there were 42. In 1912, the company was incorporated in Delaware. The following year, the company experimentally entered the mail order catalogue business with a complete stock of items selling for a dime or less. This was discontinued the same year, however.

In 1916 the company was re-incorporated in Michigan. There were 130 stores, but the following year was the end of the true dime store era. Caught in the World War I inflation, company stores were forced to raise some items to 15 cents or discontinue items.

Annual sales of the Kresge Company were \$51 million by 1928. There were then 184 stores in the chain and the top price was 25 cents.

Kresge green front stores were created in 1921. These stores sold items ranging from 25 cents to one dollar, and were located adjacent to Kresge dime stores. Other dimestore chains followed this lead and the "dollar store" was born.

A Canadian subsidiary, S.S. Kresge Ltd. was founded in 1929. By the end of the year 19

stores were in operation in Canada.

The company reached its dimestore peak in 1935 with 745 units. The same year the company began phasing out the green front stores by combining them with the dime stores and thus creating variety stores.

Sales continued to climb for the chain. By 1945, the company had annual sales of more than \$251 million. In 1952 the company began converting the variety stores to check-out operations. In 1956 stores were being opened in shopping centers, and in 1958 Kresge began expansion into the South and West.

The Jupiter discount store concept was applied to Kresge variety stores whose profits were slipping. Conversion to the first three units took place in Detroit in 1961.

The first K mart discount department store was opened in a suburb of Detroit in March, 1962. Seventeen others opened the same year. By 1966, annual sales had reached the \$1 billion mark, with 162 K mart stores in operation. The same year, Sebastian Kresge, founder of the company, died.

The company expanded into Australia in 1968. The same year, the company operated 273 K marts. Two years later, the company had sales of \$2.6 billion, and operated 411 K marts in the U.S., Canada, Puerto Rico, and Australia.

In 1972 the Kresge Company moved from Detroit to its new international headquarters in Troy, Michigan. Sales reached \$3.8 billion; the total number of stores operated by the company was 1,183; of these, 386 were K marts.